3.46 Membership subscriptions

3.46.1

There is a statutory requirement, under Gift Aid, for payments to be gifts. This means that payments that are made to acquire goods or services are not eligible for Gift Aid. However, there are rules within the Gift Aid legislation that allow charities to provide donors with token benefits, within specified limits, in recognition of their gifts.

3.46.2

Most membership subscriptions are not gifts, they are made to gain access to the facilities and services provided by the charity. However, membership subscriptions paid to charities that secure voting rights and the right to attend a charity's AGM are gifts provided they meet the conditions at paragraph 3.46.3. These payments will, of course, still have to satisfy the benefit rules referred to above.

3.46.3

The conditions referred to are:

- that the payments do no more than secure membership of the charity
- that the payments do not secure a right to personal use of any facilities or services provided by the charity

3.46.4

The provision to members of, for example, periodic newsletters explaining the work of the charity, or opportunities to visit and view the work of the charity would not breach these conditions. So, a wildlife conservation charity that allowed members admission to its sites to view its conservation work would not be regarded as providing services or facilities for personal use.

The payment of a subscription to a charity to simply receive a copy of its magazine is not a payment to become a member of the charity. Such a payment is the purchase of a magazine subscription and cannot be Gift Aided.

3.46.5

Similarly, the opportunity to take part in activities by which the charity carried out its charitable objectives are acceptable as long as the activities do not amount to making personal use of its facilities. So, a youth organisation that provided various activities in furtherance of its broader educational objectives would not be regarded as providing services or facilities for personal use.

3.46.6

Membership subscriptions that secure the right to personal use of facilities or services are not gifts. So, for example, subscriptions that are made in order to obtain for an individual or individuals' tuition, coaching or other educational instruction are not gifts. Similarly, subscriptions to a sports charity or a charitable film society are not acceptable if they secured for members the free or discounted use of, say, a golf course or a swimming pool or the viewing of films that are not available on similar terms to non-members.

3.46.7

Where a charity separates that part of the membership subscription that simply gives the basic rights of membership and does no more than cover the basic administration costs of the charity from any part that relates to the provision of services or facilities the membership element can be a gift. So, for example, a sports charity that charges a basic membership subscription, with additional, variable, training or playing charges depending on the member's standard, could regard the basic membership as a gift. The additional training or playing charges could not be treated as gifts. A charity that charges a standard membership fee that covers membership and participation could not treat any part of the subscription as a gift if participation in the activities involved personal use of services or

facilities.
Family membership

3.46.8

Many organisations offer family membership arrangements that give all the rights of individual membership, but at a reduced cost. Where a charity offers family membership the subscription is a gift to the charity provided the subscription:

- secures membership for the donor; and
- satisfies the conditions at paragraph 3.46.3 above.

3.46.9

The fact that the subscription gives members of the donor's family rights of membership too does not change this as the payment is, primarily, a gift from the donor to the charity. The donor must, however, be the person who has given a Gift Aid declaration to the charity.

Paying other people's subscriptions

3.46.10

The payment to a charity to secure individual membership rights for a person other than the donor are not gifts to the charity. This includes an individual membership purchased for a family member (spouse, parent etc) that is not secured as part of a family membership scheme. This is because although the payment is made to the charity the gift is to the person whose membership subscription is being paid.

However, this does not extend to payments made in respect of a donor's minor children (children under 18 years of age). So, a payment that satisfies the conditions to be treated as a gift if made in respect of the donor personally will be accepted as a gift if it is made for their minor child.